



COYOTE CREEK
HOMEOWNERS' ASSOCIATION
COLLECTIONS POLICY

WHEREAS, Article VII, Section 7.1.0 of the Association's Bylaws provides that the Board of Directors shall have the power to "exercise for the Association all powers, duties and authority vested in or delegated to the Association..."; and

WHEREAS, Article VII, Section 7.1 of the of the *Amended and Restated Declaration of Covenants, Conditions and Restrictions for Coyote Creek* (the "CC&Rs") authorizes the Board to "levy assessments against each Lot to collect the funds necessary to cover the costs and expenses incurred by the Association"; and

WHEREAS, Section 7.2 of the CC&Rs asserts that each owner "by acceptance of a deed or other conveyance... is deemed to covenant and agree to pay the Association..." and that "each such assessment, together with such interest, costs and reasonable attorney's fees incurred in the collection thereof, shall also be the personal obligation of the owner.."; and

WHEREAS, The Board of Directors of the Association desires to adopt a uniform and systematic procedure to collect assessments and other charges due and payable to the Association;

NOW THEREFORE, BE IT RESOLVED that the Association hereby adopts the following procedures for the collection of assessments and other charges due and payable to the Association:

- 1. Due Date.** The annual assessment **shall** be due and payable in two (2) equal installments (semi-annual), due on the 1st day of January and 1st day of July of each year.
- 2. Invoices.** The Association may, but shall not be required, to issue billings or statements to owners as a reminder of an owner's obligation to pay assessments or other charges of the Association. The non-receipt of a payment coupon or bill by an owner shall not relieve an owner's liability for assessments.
- 3. Late Charges Imposed on Delinquent Installments.** In accordance with Article 7.9 of the CC&Rs, any assessment "not paid within thirty (30) days of when due shall be late or delinquent." In the event of non-receipt of payment after this thirty-day period a late charge in the amount of ten percent (10%) of the delinquent assessment shall be charged.

4. Return Check Charges. A thirty-five dollar (\$35.00) fee shall be assessed against an owner in the event any check or other instrument paid by the owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. If two or more of an owner's checks are returned unpaid by the bank within any fiscal year, the association may require that all of the owner's future payments be made by certified check or money order.

5. Costs and Fees on Delinquent Accounts. As per Article 7.9 of the CC&Rs, the Association may add to the amount of such assessments, "any late charges, interest, recording fees, expenses and costs incurred in filing an Assessment Lien and in collecting the amounts due and the reasonable attorney's fees incurred in connection with such collection efforts, regardless of whether or not a legal suit is commenced..."

6. Collection Notification

- a) After an assessment or other charge due the Association becomes 30 days past due, the Association may cause, but shall not be required, to send a "late notice" to the owner who is delinquent in payment.
- b) After an assessment or other charge due the Association becomes 60 days past due, the Association may cause, but shall not be required, to send a "demand notice" to the owner who is delinquent in payment.
- c) If payment in full is not received within ninety (90) days, the Association may, but shall not be required, to send a "Notice of Intent" to the owner to refer the account for legal collection action.
- d) In the event any payment is ninety (90) days or more overdue the Association reserves the right to file a Lien against the owner, and/or invoke action as per sections 10 or 11 below, and/or invoke foreclosure proceedings, and may factor such decisions on a case-by-case basis.

7. Application for payments made to the Association. Payments received from an owner will be applied in the following order of priority:

1. First toward the principal amount unpaid.
2. All late charges and interest accrued.
3. Charges for legal fees, court costs and other costs.
4. All other charges incurred by the owner and/or Association as a result of any violation by an owner, his/her family, employees, agents or licensees,

8. Use of Certified Mail / Regular Mail. In the event the Association shall cause collection or demand letter or notices to be sent to a delinquent owner by regular mail, the Association may also cause, but shall not be required, to send an additional copy of that letter or notice by certified mail.

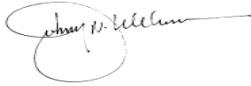
9. Liens. The Association may file a Notice of Lien against the property of any delinquent owner in accordance with the terms and provisions of the CC&Rs.

10. Referral of Delinquent Accounts to Attorneys. The Association may, but shall not be required, to refer delinquent accounts to its attorney for collection. Upon

referral to the attorney, appropriate action to collect the delinquent account shall commence.

11. **Referral of Delinquent Accounts to Collection Agencies.** The Association may, but shall not be required to refer delinquent accounts to one or more collection agencies for collection. Upon referral to a collection agency, the agency shall take all appropriate action to collect the accounts referred.
12. **Replace prior Policies.** This policy procedure shall replace all prior policies and procedures pertaining to assessment collection matters.

IN WITNESS WHEREOF, the undersigned have executed this Resolution the 15th day of September 2010.



By:

9/29/2010

Board President

Date

Board Secretary

Date